

REMARKS

This Application has been carefully reviewed in light of the Final Office Action mailed January 5, 2007 ("Office Action"). At the time of the Office Action, Claims 1 and 3-46 were pending and Claims 7-32 were withdrawn. In the Office Action, the Examiner rejects Claims 1, 3-6, and 33-46. Applicants respectfully request reconsideration and favorable action in this case.

Claims 1, 3-6, and 33-46 are Allowable over the Cited References

The Examiner rejects Claims 1, 3, 33, 34, and 38-46 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,536,659 issued to Hauser et al. ("*Hauser*") in view of "Cattron Acquires Theimeg"; Modern Materials Handling; Boston; October 2000 ("*ReturnValet1*") and U.S. Patent Application Publication No. 2004/0172260 issued to Junger et al. ("*Junger*"). The Examiner rejects Claims 4-6 and 35-37 under 35 U.S.C. § 103(a) as being unpatentable over *Hauser* in view of *ReturnValet1* and *Junger* as applied to Claims 3 and 34 above, and further in view of "J. Crew Selects Newgistics' ReturnValet Service for Managing Product Returns," Business Editors, Business Wire; January 14, 2002 ("*ReturnValet2*"). Applicants respectfully submit, however, that the cited references do not disclose, teach, or suggest each and every element recited in Applicants' claims.

In the Final Office Action, the Examiner acknowledges that *Hauser* fails to disclose certain of the features recited in Claim 1. (Final Office Action, page 3). In maintaining the rejection of Applicants' Claim 1, the Examiner relies upon *Hauser* for each of the operational steps, upon *ReturnValet1* for disclosure of a plurality of regional return centers, and upon *Junger* for disclosure of carrier delivery. (Final Office Action, page 4). Even if the references disclose what the Examiner purports that the references disclose (which Applicants do not admit), such a piecemeal rejection of Applicant's claim fails to give credence to the particular combination of elements of Applicants' Claim 1 and to the overall combination of features recited in the claim.

The M.P.E.P. provides that "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." M.P.E.P. § 2143.03 (citing *In re Wilson*, 424 F.2d 1382, 165 U.S.P.Q. 494, 496 (C.C.P.A. 1970)). Applicants' Claim 1 recites "receiving,

by carrier delivery, packages containing returned items at a selected one of the regional returns centers . . . wherein affixed to each package is a printed label, the label having machine readable data representing at least the identification of a merchant associated with the returned item, the printed label including a destination address associated with the selected one of the regional returns centers, the selected one of the regional returns centers selected for carrier delivery of the package because the selected one of the regional returns centers is geographically closer to a location of a customer from which the package is received than others of the plurality of regional returns centers.” Although *ReturnValet1* discloses a plurality postal centers to which products can be returned, *ReturnValet1* specifically states that such postal centers are where “[the consumer] can go and return the product.” (Page 1). The returned packages received at the postal centers of *ReturnValet1* are not disclosed to have “a printed label” and certainly are not disclosed as having “a printed label including a destination address associated with the selected one of the regional return centers, the selected one of the regional returns centers selected . . . because the selected one of the regional returns centers is geographically closer to a location of a customer . . . than others of the plurality of regional returns centers,” as recited in Claim 1. Conversely, although *Hauser* discloses a printed label,” *Hauser* only discloses a “NATIONAL RETURN CENTER™” that is “a central return facility.” (Column 3, lines 59-63). Thus, *Hauser* also does not disclose “a printed label including a destination address associated with the selected one of the regional return centers, the selected one of the regional returns centers selected . . . because the selected one of the regional returns centers is geographically closer to a location of a customer . . . than others of the plurality of regional returns centers,” as recited in Claim 1. Accordingly, Applicants respectfully submit that the proposed combination of references does not disclose, teach, or suggest the particular combination of features recited in Applicants’ Claim 1. In fact, the rejection of Claim 1 over the proposed *Hauser-ReturnValet1-Junger* combination, in the manner provided by the Examiner, can only result from the piecing together of disjointed portions of unrelated references to reconstruct Applicants’ claims. Stated differently, the proposed *Hauser-ReturnValet1-Junger* combination does not, taken as a whole, suggest the claimed invention, taken as a whole.

For at least these reasons, Applicants respectfully request reconsideration and allowance of Claim 1, together with Claims 3-6 that depend on Claim 1.

The Examiner also relies on the proposed *Hauser-ReturnValet1-Junger* combination to reject independent Claim 33. Applicants respectfully submit, however, that the proposed references do not disclose, teach, or suggest each and every element of Applicants' independent Claim 33. For example, Claim 33 recites "receiving a package containing at least one returned item at a selected one of the plurality of regional returns centers, the package comprising . . . a printed carrier label, the carrier label comprising a destination address associated with the selected regional returns center, the selected one of the regional returns centers selected for carrier delivery of the package because the selected one of the regional returns centers is geographically closer to a location of a customer from which the package is received than others of the plurality of regional returns centers." Thus, for reasons similar to those discussed above with regard to Claim 1, Applicants respectfully submit that the proposed *Hauser-ReturnValet1-Junger* combination does not disclose, teach, or suggest the particular combination of features and operations set forth in Applicants' independent Claim 33.

For at least these reasons, Applicants respectfully request reconsideration and allowance of Claim 33, together with Claims 34-46 that depend on Claim 33.

The Proposed Combinations of References are Improper

Furthermore, Applicants respectfully submit that the proposed *Hauser-ReturnValet1-Junger* and *Hauser-ReturnValet1-Junger-ReturnValet2* combinations are improper. Applicants' claims are allowable for at least this additional reason.

1. The Legal Standard

The question raised under 35 U.S.C. § 103 is whether the prior art taken as a whole would suggest the claimed invention taken as a whole to one of ordinary skill in the art at the time of the invention. Accordingly, even if all elements of a claim are disclosed in various prior art references, which is certainly not the case here as discussed above, the claimed invention taken as a whole cannot be said to be obvious without some reason given in the prior art why one of ordinary skill at the time of the invention would have been prompted to modify the teachings of a reference or combine the teachings of multiple references to arrive

at the claimed invention. It is clear based at least on the many distinctions discussed above that the proposed *Hauser-ReturnValet1-Junger* and *Hauser-ReturnValet1-Junger-ReturnValet2* combinations do not, taken as a whole, suggest the claimed invention, taken as a whole. Applicants respectfully submit that the Examiner has merely pieced together disjointed portions of references, with the benefit of hindsight using Applicants' claims as a blueprint, in an attempt to reconstruct Applicants' claims.

The governing Federal Circuit case law makes this strict legal standard clear.¹ According to the Federal Circuit, "a showing of a suggestion, teaching, or motivation to combine or modify prior art references is an essential component of an obviousness holding." *In re Sang-Su Lee*, 277 F.3d 1338, 1343, 61 U.S.P.Q.2d 1430, 1433 (Fed. Cir. 2002) (quoting *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1124-25, 56 U.S.P.Q.2d 1456, 1459 (Fed. Cir. 2000)). "Evidence of a suggestion, teaching, or motivation . . . may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, the nature of the problem to be solved." *In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999). However, the "range of sources available . . . does not diminish the requirement for actual evidence." *Id.* ***Although a prior art device "may be capable of being modified to run the way the apparatus is claimed, there must be a suggestion or motivation in the reference to do so."*** *In re Mills*, 916 F.2d at 682, 16 U.S.P.Q.2d at 1432 (emphasis added). *See also In re Rouffet*, 149 F.3d 1350, 1357, 47 U.S.P.Q.2d 1453, 1457-58 (Fed. Cir. 1998) (***holding a prima facie case of obviousness not made where the combination of the references taught every element of the claimed invention but did not provide a motivation to combine***); *In Re Jones*, 958 F.2d 347, 351, 21 U.S.P.Q.2d 1941, 1944 (Fed. Cir. 1992) ("Conspicuously missing from this record is any evidence, other than the PTO's speculation (if that can be called evidence) that one of ordinary skill in the herbicidal art would have been motivated to make the modification of the prior art salts necessary to arrive at" the claimed invention.). Even a determination that it would have been obvious to one of ordinary skill in the art at the time of the invention to try the proposed modification or combination is not sufficient to establish a *prima facie* case of obviousness. *See In re Fine*, 837 F.2d 1071, 1075, 5 U.S.P.Q.2d 1596, 1599 (Fed. Cir. 1988).

¹ Note M.P.E.P. 2145 X.C. ("The Federal Circuit has produced a number of decisions overturning obviousness rejections due to a lack of suggestion in the prior art of the desirability of combining references.").

In addition, the M.P.E.P. and the Federal Circuit repeatedly warn against using an applicant's disclosure as a blueprint to reconstruct the claimed invention. For example, the M.P.E.P. states, ***“The tendency to resort to ‘hindsight’ based upon applicant’s disclosure is often difficult to avoid due to the very nature of the examination process. However, impermissible hindsight must be avoided and the legal conclusion must be reached on the basis of the facts gleaned from the prior art.”*** M.P.E.P. § 2142 (emphasis added). The governing Federal Circuit cases are equally clear. “A critical step in analyzing the patentability of claims pursuant to [35 U.S.C. § 103] is casting the mind back to the time of invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art references and the then-accepted wisdom in the field. . . . Close adherence to this methodology is especially important in cases where the very ease with which the invention can be understood may prompt one ‘to fall victim to the insidious effect of a hindsight syndrome ***wherein that which only the invention taught is used against its teacher.***” *In re Kotzab*, 217 F.3d 1365, 1369, 55 U.S.P.Q.2d 1313, 1316 (Fed. Cir. 2000) (citations omitted; emphasis added). In *In re Kotzab*, the court noted that to prevent the use of hindsight based on the invention to defeat patentability of the invention, this court requires the examiner to show a motivation to combine the references that create the case of obviousness. *See id.* *See also, e.g., Grain Processing Corp. v. American Maize-Products*, 840 F.2d 902, 907, 5 U.S.P.Q.2d 1788, 1792 (Fed. Cir. 1988). Similarly, in *In re Dembiczak*, the Federal Circuit reversed a finding of obviousness by the Board, ***explaining that the required evidence of such a teaching, suggestion, or motivation is essential to avoid impermissible hindsight reconstruction of an applicant’s invention:***

Our case law makes clear that the best defense against the subtle but powerful attraction of hind-sight obviousness analysis is ***rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.*** Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability—the essence of hindsight.

175 F.3d at 999, 50 U.S.P.Q.2d at 1617 (emphasis added) (citations omitted; emphasis added).

2. The Analysis

Independent Claims 1 and 33 have been rejected over the proposed *Hauser-ReturnValet1-Junger* combination. According to the Examiner and with regard to *Hauser* and *ReturnValet1*, “[i]t would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the method of *Hauser* with the maintaining a plurality of regional return centers and returning to the station closest to the customer of *ReturnValet1*, since such a modification would have provided a decrease in effort and an increase in return efficiency via a means for a customer to receive instant credit for a returned item (see at least page 1 of *ReturnValet1*).” (Final Office Action, page 4). With regard to *Hauser* and *Junger*, the Examiner states “[i]t would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the method of *Hauser* with the carrier delivery, as taught by *Junger*, since such a modification would have provided a further simplified return process for a customer (at least paragraph [0181] of *Junger*).” (Final Office Action, page 4).

Thus, it appears that the Examiner has merely proposed alleged advantages of combining *Hauser* with *ReturnValet1* and *Junger* (advantages which Applicants do not admit could even be achieved by combining these references in the manner the Examiner proposes). While the Examiner has cited portions of *ReturnValet1* and *Junger* that tout advantages of their respective systems, the Examiner has not pointed to any portions of the cited references that would teach, suggest, or motivate one of ordinary skill in the art at the time of invention to incorporate the central return facility disclosed in *Hauser* with the postal centers disclosed in *ReturnValet1* and the carrier delivery disclosed in *Junger*. In other words, the alleged advantage of the systems disclosed in *ReturnValet1* and *Junger* do not provide an explanation as to: (1) why it would have been obvious to one of ordinary skill in the art at the time of Applicants’ invention (*without using Applicants’ claims as a guide*) to modify the particular techniques disclosed in *Hauser* with the cited disclosures in *ReturnValet1* and *Junger*; (2) how one of ordinary skill in the art at the time of Applicants’ invention would have actually done so; and (3) how doing so would purportedly meet the limitations of Applicants’ claims. Indeed, if it were sufficient for Examiners to merely point to a purported advantage of one reference and conclude that it would have been obvious to combine or modify that reference with other references simply based on that advantage (which, as should be evident from the case law discussed above, it certainly is not), then virtually any two or more references would

be combinable just based on the fact the one reference states an advantage of its system. Of course, as the Federal Circuit has made clear and as discussed above, that is not the law.

Additionally, Applicants respectfully submit that the objectives of the respective systems of *Hauser*, *ReturnValet1*, and *Junger* do not provide a suggestion to combine these references in the manner suggested by the Examiner. It is essential to view the invention as a whole, taking each element into account as well as the advantages, properties, utilities, and results of the invention. *In re Chupp*, 816 F.2d 643, 2 U.S.P.Q.2d 1437 (Fed. Cir. 1987). The very principle and purpose of the system disclosed in *Junger* is the provision of a return system between two intermediary sources of a product. Specifically, *Junger* provides a system and method for obtaining batch reimbursement from a manufacturer for a retailer who has previously credited customers for the return of like items. With respect to the customer, *Junger* only discloses that a return is accepted “[w]hen a customer returns a product with a receipt,” “the serial numbers match,” and “all other return conditions are met.” (Column 2, lines 14-18). However, *Junger* assumes that this transaction occurs prior to the receipt of the returned items for processing using the return system of *Junger*. In *Junger*, it is the merchant who is being reimbursed by the manufacturer.

Conversely, *Hauser* provides customers of merchants “with a return authorization shipping label” that can then be used to return merchandise to a “central return facility.” (Abstract). According to *Hauser*, “a return label is provided to the customer for inclusion with the merchandise being returned.” (Column 2, lines 16-19). The customer then “ships the merchandise being returned to the return facility.” Thus, while the objective of *Junger* is to provide for the processing of retailer returns on a batch-basis in a retailer-manufacturer context, the objective of *Hauser* is to provide for the processing of customer returns on an item-basis in a retailer-customer context. As a result, the solution proposed in *Junger* is drastically different from the solution proposed in *Hauser*, and one of ordinary skill in the art at the time of invention would not have been motivated to combine the disclosure of *Junger* with the disclosure of *Hauser*.

Furthermore, it is improper for an Examiner to use hindsight having read the Applicant’s disclosure to arrive at an obviousness rejection. *In re Fine*, 837 F.2d 1071, 1075,

5 U.S.P.Q.2d 1596, 1600 (Fed. Cir. 1988). It is improper to use the claimed invention as an instruction manual or template to piece together the teachings of the prior art so that the claimed invention is rendered obvious. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). The inconsistencies in *Junger* and *Hauser*, as identified by Applicant above, evidences the Examiners reconstruction of Applicant's claims by using hindsight to piece together disjointed portions of analogous, but inconsistent references. Accordingly, Applicants respectfully submit that the Examiner's conclusions set forth in the Office Action do not meet the requirements set forth in the M.P.E.P. and the governing Federal Circuit case law for demonstrating a *prima facie* case of obviousness. Applicants respectfully submit that the rejection must therefore be withdrawn.

For at least these reasons, Applicants respectfully request reconsideration and allowance of Applicants' claims.

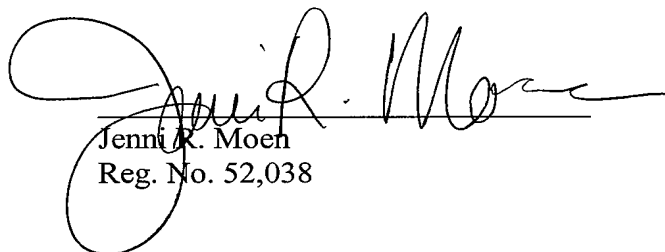
CONCLUSION

Applicants have made an earnest attempt to place this case in condition for immediate allowance. For the foregoing reasons and for other reasons clear and apparent, Applicants respectfully request reconsideration and allowance of the pending claims.

Applicants do not believe any fees are due; however, the Commissioner is hereby authorized to charge any fees or credits to Deposit Account No. 02-0384 of Baker Botts L.L.P.

If there are matters that can be discussed by telephone to advance prosecution of this application, Applicants invite the Examiner to contact its attorney at (214) 953-6809.

Respectfully submitted,
Baker Botts L.L.P.
Attorneys for Applicants



Jenni R. Moen
Reg. No. 52,038

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CORRESPONDENCE ADDRESS:

Customer No. **05073**